



BUSINESS, LABOR & ECONOMIC AFFAIRS  
EXHIBIT No. 3  
DATE 3-8-07  
BILL No. HB 156

March 8, 2007

TO: Senator Cocchiarella and Members of the Senate Business Committee

FROM: Claudia Clifford, AARP Montana

**RE: Support of HB 156, Revise long-term care insurance laws**

Madame Chair and members of the committee for the record my name is Claudia Clifford, Advocacy Director for AARP Montana. AARP is a non-profit, non-partisan organization with 153,000 members in Montana.

We support HB 156 because it puts into place needed consumer protections for long-term care insurance policyholders. I truly believe long-term care insurance can be a necessary tool to help people live independently as they age.

AARP understands that private, long-term care insurance is still not affordable for everyone. However, from studies we have seen, about half of long-term care insurance claimants indicate that without private insurance to pay for services in the community, they would need to seek institutional care. Long-term care insurance is improving and now covers home health care, respite care, adult day services, assisted living, personal care and hospice care. And many policies go even farther.

AARP supports the consumer protection provisions from the National Association of Insurance Commissioners 2000 amendments that are in this bill. Most important are the non-forfeiture benefits, which allow policyholders to get some return on their investment when the policy may be no longer affordable. We strongly support giving consumers the maximum amount of information about their policy to make better decisions about the type of policy to purchase.

We support varied approaches to encourage people to obtain long-term care insurance, which reduces the number of people forced into institutions covered by Medicaid. One approach to expanding coverage may be public-private partnerships that HB 156 will allow Montana to explore.

Thank you for this opportunity and I urge your support of HB 156.